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WORKSHOP ON UNCTAD IN A CHANGING POLITICAL AND ECONOMIC ENVIRONMENT

Santa Fé de Bogota, 24-26 August 1991

The workshop was organized by the Government of Colombia in cooperation with the UNCTAD secretariat. The summary was prepared by the Colombian authorities, who moderated the workshop, with the assistance of the UNCTAD secretariat. The summary is not intended to be a comprehensive account of the different points of view expressed by the participants during the workshop. It simply highlights the most important features of the debate and of the various suggestions made in the course of this in order to stimulate discussion and follow-up action by the appropriate bodies. The report does not necessarily reflect the opinions of the Colombian authorities or of the UNCTAD secretariat.

At the request of the Colombian authorities, the present text of the report is being made available to delegations in the context of the preparations for the eighth session of the United Nations Conference on Trade and Development.

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INTRODUCTION

1. In the context of preparations for UNCTAD VIII, to be held at Cartagena de Indias, Colombia, in February 1992, independent and governmental experts took part, in their personal capacity, in an informal meeting on "UNCTAD in a changing political and economic environment" held at Santa Fé de Bogotá, Colombia, from 24 to 26 August 1991. A list of participants is appended. The purpose of the workshop was to consider what role UNCTAD could play in the 1990s in the light of the recent, far-reaching changes in international relations.

2. The event was opened by the Minister for Foreign Affairs of Colombia, Mr. Luis Fernando Jaramillo Correa, and by Mr. K.K.S. Dadsie, the Secretary-General of UNCTAD, both of whom emphasized the importance of the forthcoming meeting at Cartagena de Indias, and of the workshop as an important milestone in the preparations for the eighth Conference. Immediately after the opening, the participants expressed their respective points of view in a general debate on the topics before the workshop. After the general debate there was a more specific discussion of the challenges and responsibilities that the economic sector of the United Nations, and UNCTAD in particular, will have to face in the coming years. The discussion also covered mechanisms and means for ensuring that the results of the Conference would be acted upon and, in general, that the Organisation's future tasks would be carried out effectively.

GENERAL DEBATE: CHALLENGES AND EXPECTATIONS RESULTING FROM CHANGES

3. During the workshop a broad consensus was achieved on a large number of issues relating to development. It was underlined that UNCTAD VIII would take place against a background of radical changes around the world. From the political viewpoint, such changes could lead to a more peaceful and secure world, with more firmly entrenched democratic processes, popular participation and improved international relations.

4. Various opinions were expressed on the new perceptions of what today determines growth and economic development and the best methods of achieving these. Market forces were an efficient means of ensuring an appropriate distribution of resources; while the State, for its part, had a crucial role to play in setting the rules of the game to ensure that the market could operate efficiently and equitably. The State also had to help to create conditions conducive to human development and the involvement of all members of society in an open, democratic system. Each country was responsible for bringing about its own development, but a suitable international environment was also necessary for such development to take place.

5. It was emphasized that the world economy had recently been undergoing a process of globalization and internationalization in which technological change played a fundamental role. At the same time, large economic spaces were acquiring considerable influence in international trade and in international negotiations generally.

6. The difficulty of predicting the consequences, impact and nature of changes in international relations, especially their possible repercussions on developing countries, was underlined. However, these changes and trends presented great opportunities as well as challenges. It was therefore considered that a decisive effort to expand and improve international economic cooperation, through a constructive dialogue based on common interests and mutual benefits, was urgently needed.

7. Reference was made to the economic differentiation of countries by levels of development, rates of growth, technological sophistication and participation in the international economic system which, along with the gaps in those respects that separated developed from developing countries, posed a growing risk that many countries, in particular the least developed, would become more and more marginalized. It was pointed out, however, that some countries of the South had been successful in their economic growth and were taking a more active part in international trade. Several participants also expatiated on the increasing difficulty for the developing countries of participating in and influencing the process of international economic decision-making.

8. The emergence of new issues of concern to the international community, apart from the traditional development topics, was commented on. Special mention was made of questions relating to the environment and sustainable development, where it was felt that efforts should be concentrated on striking a satisfactory balance between environmental protection, the elimination of poverty and equitable economic development. UNCTAD VIII could well be an important forum for establishing the necessary link between development and the environmental issues that would be discussed at the Rio de Janeiro Conference in June 1992.

9. On all the matters discussed there was broad agreement in most of the assessments and points made, but there were naturally divergencies in the interpretations put on them and the implications of these.

GENERAL COMMENTS ON UNCTAD VIII

10. In the light of their general comments on the major political changes and new economic orientations, the participants agreed that UNCTAD VIII offered a unique opportunity to work for a new consensus between industrialized and developing countries strengthen national and international action and international cooperation so as to achieve a healthier, more secure and more equitable world economy. UNCTAD's central mandate for development within a revitalized United Nations system need to be restated and enlarged in connection with UNCTAD VIII.

11. UNCTAD VIII also offer an opportunity to take stock of the existing situation and the trends apparent in the international economic environment. It would, in addition, enable a calm appraisal to be made of current challenges and opportunities with a view to promoting the general well-being of the international community and the advancement of the developing countries and economies in transition.

12. The final document of UNCTAD VIII should include an evaluation of the challenges and opportunities offered by the present evaluation of the international economy. The outcome of the Conference should be founded on a genuine consensus of importance, to all participants, in order to prepare the ground for tackling the major problems of trade and development in the 1990s.

13. All participants agreed that UNCTAD VIII afforded a special opportunity to confirm the validity of the organization's original mandate and the need for institutional revitalization so that it could play a leading role in the development of a healthier, and more secure and equitable world economy in the coming years. Most felt that institutional arrangements should be a high-priority topic during UNCTAD VIII. In this respect, the participants discussed in detail the new agenda for the 1990s and the mechanisms necessary to ensure the revitalization of the institution.

A REVISED AGENDA FOR THE 1990s: UNCTAD'S ROLE IN A NEW INTERNATIONAL ENVIRONMENT

14. All participants agreed that UNCTAD had three main functions that must be preserved and strengthened: (a) global analysis and policy coordination; (b) technical cooperation; and (c) negotiations. Each of these areas was the subject of a series of proposals and interpretations relating to its particular characteristics and scope in the context of the new international situation.

15. UNCTAD must continue to play a fundamental role as a forum for economic policy coordination at the general level and for evaluating the impact of economic policy formulation, at both the national and international levels, on development. Emphasis was laid on the importance of an international forum that allowed and encouraged the free examination and open discussion of ideas on and approaches to economic growth and development, with no ideological bias of any kind. The character of UNCTAD as a universal and democratic forum was stressed by the majority of participants.

16. The function of technical cooperation and, in general, of technical support - particularly in relation to developing countries - was underlined by all participants. Special mention was made of the support and technical assistance provided by the UNCTAD secretariat in the past; nevertheless this function must be re-evaluated in the light of both its objectives, extent and scope and of the operational methods for its implementation, in order to increase the technical support offered to developing countries without detracting in any way from the institution's universal character.

17. The need to strengthen technical assistance in traditional areas as well as in new areas of interest was underlined. Emphasis was placed on the importance of a close link between the secretariat's operational capacity and

its research and analysis functions. It was also emphasized that technical assistance was a key function of UNCTAD, and should be recognized as such, and not called in question by any group of countries. Some participants mentioned that in order to improve the secretariat's capacity and productivity in this field, assistance should be more practical, operational and competitive compared with the existing market supply.

18. Participants expressed various viewpoints on the importance and relevance of UNCTAD as a negotiating forum in the present-day world. In general, it was recognized that there was a need for selectivity as regards the questions taken up in international negotiations. UNCTAD must continue in and reaffirm its role as a universal forum for multilateral negotiations on development issues within its sphere of competence. However, it was emphasized that the future orientation should be towards specific, differentiated negotiating mandates, not necessarily entailing broad global negotiations as in the past. It was also said that UNCTAD could be given more specific mandates on concrete matters not necessarily involving all its member States.

19. Concerning the questions with which the organization should be concerned in the next few years, participants put forward a series of suggestions and proposals for a future agenda. These would be channelled through the main functions of the organization according to their importance, priority and maturity for examination and action. The issues and matters raised did not always command consensus, but were considered to be topics of general interest deserving the attention of the international community.

20. Among the topics mentioned were:

(a) The so-called traditional topics that still require the international community's attention, such as commodities and the developing countries' external debt;

(b) Economic cooperation among developing countries and regional integration;

(c) Economies in transition and, in particular, the question of how to reconcile the demands for resources and technical cooperation from the developing countries and from the countries of Eastern and Central Europe. Some participants held that such questions should not detract from UNCTAD's main concern, which was to attend to the needs of the developing countries, and should therefore be dealt with bilaterally between the parties concerned;

(d) Sustainable development and environmental concerns in the context of development. In that respect it was emphasized that UNCTAD could make an important contribution in the area of transfer of technology;

(e) Trade expansion. Some participants emphasized the urgent need for the UNCTAD secretariat to assist the developing countries in multilateral, regional and bilateral trade negotiations;

(f) The relationship between trade, foreign investment, technology and services;

(g) New international regimes governing foreign investment and international competition; and

(h) The growing diversity of development experiences, which could lead to the consideration of national situations.

**MECHANISMS AND OTHER METHODS OF ENSURING THE EFFECTIVE
IMPLEMENTATION OF THE CONFERENCE'S RESULTS AND OF THE
ORGANIZATION'S FUTURE TASKS**

21. In order to respond to the new challenges and demands of development, the participants held a series of discussions on the most efficient way to carry out the tasks of UNCTAD at the intergovernmental and secretariat levels.

22. Different participants emphasized the importance of selecting the topics to discuss, and at the same time, the need to establish priorities within the organization's work. In general, participants reiterated the need for debates within UNCTAD to lead to operational consensus that would make for the effective functioning of the organization. They all pointed out the need to make working methods more flexible so that countries or groups of countries with common concerns could introduce new topics for consideration and action. The working methods and the mechanisms introduced should be of such a nature as to minimize the possibility of unnecessary confrontations that would make technical and action-oriented work impossible. Stress was laid on the importance that both Governments and the secretariat should be prepared to confront and anticipate new challenges and new concerns.

23. Various observations and suggestions were made on intergovernmental machinery. Some participants referred to the methods of work of the committees, whose usefulness and productivity - in a revitalized UNCTAD - would merit re-examination. Some participants felt the present system of committees could be replaced by a more efficient and workable system under which greater attention would be assured for present and future priority topics. Others were of the view that dismantling the committees would affect the structure of UNCTAD itself.

24. Various observations were made on the functioning of the group system. To some participants, this was a highly political matter that could only be dealt with by each regional group. Others stated that, particularly in view of the break-up of the so-called Group D, it was necessary to review the subject and introduce greater flexibility forthwith in the way in which the regional groups worked, so that new groups interested in specific subjects could be formed to seek for solutions to priority questions of mutual interest. Similar remarks were made on the functioning of the Group of 77. There was unanimous agreement on the need for more flexibility in the informal contacts among regional groups and all the participants in the international debate. There were various suggestions on how to facilitate contacts among Groups, and comments on the need to promote contacts and informal consultations among all sectors.

25. The participants were unanimously of the opinion that deliberations and debates within UNCTAD need not necessarily lead to negotiations on the texts of resolutions that contributed little to the international dialogue. Much would be gained by having instead Chairman's or secretariat summaries or conclusions recording the debate, the different viewpoints and the different approaches to a particular topic.

26. Various suggestions were made concerning the need to establish effective mechanisms for following up and giving effect to decisions and undertakings adopted in UNCTAD. The subject should be examined in more detail in order to determine the most suitable follow-up mechanisms for effectively carrying out the commitments assumed. The kind of decisions and commitments to be followed up in this manner also needed to be examined.

27. Mention was made of the possibility of establishing within UNCTAD a North-South consultation mechanism that would enable more direct support to be given to the work of UNCTAD and its secretariat so that the new challenges and tasks of development could be addressed efficiently.

28. A number of participants stressed the importance of establishing a series of informal mechanisms to enable the work of UNCTAD to benefit from the support and views of non-governmental bodies, particularly in the private sector and labour sectors, and non-governmental organizations in general. They also considered it was important to create a more structured mechanism to enable such bodies to participate. Furthermore, it was thought to be vital for groups of independent experts, very high-level academics and leading institutions engaged in research and studies on economic development to be involved in UNCTAD's preparatory work. Similarly, it was considered to be especially important to establish mechanisms for appropriate interaction with the Bretton Woods institutions and GATT.

29. An important aspect of the process of renewal and strengthening of UNCTAD was that of the secretariat. Various proposals were put forward in that respect. It was considered highly important to strengthen the Secretary-General's capacity to propose solutions, introduce new topics, establish contacts at all levels and undertake consultations with Governments and other agents of development. The secretariat should also be flexible enough to be able to attend to priority matters by mobilizing sufficient resources. Its capabilities for research and analytical work had to be strengthened. Some participants underlined the need for secretariat documents to be sufficiently timely and action-oriented to permit governmental response and action at the highest level. In general, it was thought that the secretariat could make use of advanced communications media to consult Governments and other bodies without the need to travel.

30. Several participants mentioned the need to give the secretariat the necessary budgetary, financial and administrative flexibility so that it could comply with its responsibilities more satisfactorily.

WORKSHOP ON UNCTAD VIII

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